

NOTES ON FEES AND CHARGES IN SECURITIES SECTOR

HAI DANG

On April 4, 2022, the Ministry of Finance promulgated Circular 25/2022/TT-BTC stipulating the rates and regimes for collection, payment, management and use of fees and charges in securities sector (**Circular 25**), which replaces Circular 272/2016/TT-BTC (**Circular 272**). The following demonstrates several noteworthy contents in Circular 25:

Regarding the fees and charges in securities sector, the management fee of unlisted public companies that have not registered for transactions is reduced under Circular 25 (from VND 10,000,000 to VND 830,000). Besides, the fees for re-issuance and adjustment of licenses in securities sector are supplemented, ranging from VND 1,000,000 to VND 2,000,000, for instance:

- The fee for re-issuance, adjustment and renewal of operation licenses and certificates in securities sector: VND 2,000,000/grant;
- The fee for re-issuance, adjustment and renewal of establishment and operation licenses of securities investment fund management companies: VND 2,000,000/grant;
- The fee for re-issuance, adjustment of decisions on establishment and operation of securities company's branches, domestic securities investment fund management companies; certificates on outward portfolio investment of securities business organizations: VND 1,000,000/grant.

Regarding the deadline for fee and charge payment, payers must pay the entire fees or charges to the State Securities Commission upon obtaining a license or certificate in securities sector. In addition, regarding the management fee of open-ended funds, enterprises and organizations should also pay attention to the payment deadline specified in Circular 25.

Regarding the transition between the two circulars, Circular 25 shall officially come into effect from July 1, 2022, replacing Circular 272. In accordance with

Circular 25, organizations that are certified by the State Securities Commissions to have completed the registration of public company before the effective date of this Circular but have not yet listed and registered for transactions shall continue to pay corresponding fees and charges under Circular 272 until June 30, 2022. Additionally, it is notable that, from January 1, 2022 to June 30, 2022, the fees and charges in securities sector shall be applied in accordance with Circular 120/2021/TT-BTC regulating the collection of a few fees and charges in order to support and tackle difficulties for subjects affected by Covid-19.

COMMENTS AND RECOMMENDATIONS

Generally, Circular 25 inherits the core regulations from Circular 272 with slight adjustments in some regulations on fees and charges payable by organizations and individuals operating in securities sector. Therefore, enterprises obliged to pay fees and charges need to promptly update the provisions of this Circular and tailor their current plans to fulfill financial obligations regarding fees and charges in securities sector if necessary.

